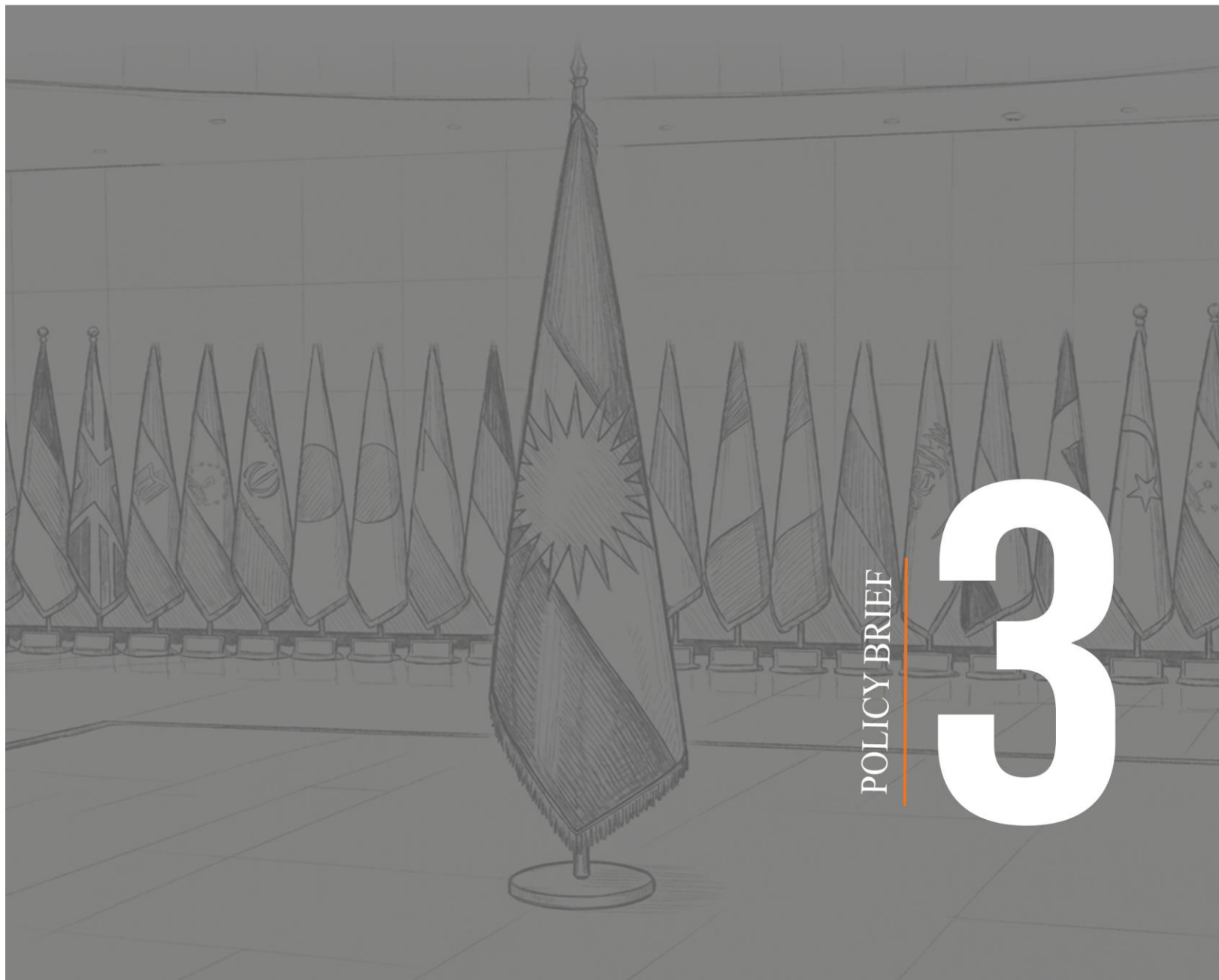


# **Active Diplomacy and Neutrality: KRG Strategy After the U.S.-Iran Ceasefire**

**How to Prevent Future Attacks by Iran and Iraqi Shiite Militias**

External Policy Brief to the Presidency of the Kurdistan Region of Iraq

April 2026



## THE INITIATIVE

This Policy Brief is part of an initiative led by the Sbey Research Center (SRC). The initiative contributes to policy debates by providing research-based analysis and forward-looking perspectives on governance, political participation, and social development in the Kurdistan Region of Iraq.

The Sbey Research Center produces research and analysis on key political, social, and economic developments, including party dynamics, governance, human rights, and demographic change. Its work aims to support evidence-based policymaking and informed public discourse in the region. The Center's activities are organized around three main areas: research; policy analysis and advocacy; and public outreach. Within this framework, the Policy Briefs are designed to be concise and policy-oriented, focusing on identifying key drivers of specific challenges, outlining their implications, and proposing actionable recommendations.

## THE POLICY BRIEFS

This Policy Brief is the third in a series of publications produced by the Sbey Research Center (SRC) addressing current public issues in the Kurdistan Region and beyond. The series aims to contribute to ongoing policy discussions by offering structured analysis and practical insights into governance-related challenges.

This brief examines the strategic challenges and limited opportunities facing the Kurdistan Region in the aftermath of the U.S.–Iran ceasefire. While the temporary halt in hostilities has reduced immediate security pressures, the persistence of regional tensions, the continued presence of armed militias, and the uncertainty surrounding U.S.–Iran negotiations leave the Kurdistan Regional Government (KRG) in a highly vulnerable position. The risk of renewed attacks remains significant, particularly given the region's geopolitical exposure and asymmetric dependence on external actors. This policy brief provides a structured analysis of the underlying causes of recent attacks and the fragility of the current ceasefire. It frames the situation as a narrow and temporary window for strategic action rather than a resolution of conflict. By emphasizing the concept of active neutrality and the use of soft balancing, the brief outlines practical diplomatic pathways available to the KRG to reduce tensions, diversify its external relations, and increase the political cost of future aggression, with the aim of preserving stability and preventing renewed escalation.

## POLICY BRIEF 03

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In a context of fragile ceasefire and persistent regional uncertainty, the need for clear, research-informed analysis is critical. This policy brief, *Active Diplomacy and Neutrality: The Kurdistan Regional Government's Strategy After the U.S.–Iran Ceasefire*, provides a focused assessment of the region's ongoing vulnerabilities and the risks of renewed escalation. It supports informed decision-making by emphasizing proactive diplomacy, de-escalation, and strategic balancing to reduce exposure to external threats while strengthening the Kurdistan Regional Government's capacity to maintain stability under uncertain conditions.

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## Executive Summary

On April 8, 2026, after 40 days of devastating war, the United States and Iran agreed to a two-week ceasefire brokered by Pakistan. The ceasefire has created a critical opportunity for the Kurdistan Regional Government (KRG) to employ active diplomacy and a policy of neutrality to prevent future attacks by Iran and Iraqi Shiite militias. From February 28 to April 8, 2026, the Kurdistan Region was targeted by more than 700 drone and missile attacks, resulting in 17 deaths and more than 80 injuries. With both sides claiming victory and negotiations underway in Islamabad, the KRG must define its position as an independent regional actor seeking stability.

Using the concepts of “Active Neutrality” and “Soft Balancing”, this policy brief argues that the KRG can safeguard its security without complete dependence on the United States or capitulation to Iran through three diplomatic axes: (1) formally declaring a policy of neutrality and coordinating with Baghdad to control militias; (2) establishing informal diplomatic channels with Tehran through the PUK and intermediary countries; and (3) diversifying regional relations with Turkey, the Gulf states, and the European Union.

This strategy is grounded in a key reality: the region cannot rely on permanent American support, nor can it confront Iran militarily. Therefore, at this stage of regional instability, active diplomacy is essential for survival.

### Key Notes:

1. The ceasefire has created a temporary opportunity for the KRG to pursue active diplomacy and neutrality.
2. The KRG’s survival requires a delicate balance between maintaining relations with the U.S. and reducing tensions with Iran.
3. The threat persists, as Iranian influence and Iraqi militias may continue to target the KRG.
4. As a non-state actor, the KRG can play a role by utilizing active neutrality and soft balancing to pursue stability in the Middle East.

## Introduction: The Opportunity and Challenge of the Ceasefire

The April 8 ceasefire between the United States and Iran marks a turning point in a war that began on February 28, 2026, bringing the region to the brink of a precipice. According to Al Jazeera, the ceasefire “stopped 40 days of U.S. and Israeli attacks on Iran that had brought the region to the brink of a wider war” (Siddiqui, 2026). Pakistani Prime

Minister Shahbaz Sharif stated that “all parties to exercise restraint and respect the ceasefire for two weeks, as agreed upon, so that diplomacy can take a lead role towards peaceful settlement of the conflict (NPR, 2026). However, the ceasefire remains fragile. Israel has continued attacks on Lebanon, while Iran has warned that “slightest error be committed by the enemy, it shall be met with full force” (Yeung, 2026).

For the Kurdistan Regional Government, this ceasefire presents both an opportunity and a challenge. The opportunity lies in the temporary halt of attacks, which had exceeded 700 incidents since February 28 (Rudaw, 2026). The challenge, however, is that this pause may be short-lived. The KRG must therefore rapidly develop a diplomatic strategy to prevent future attacks. The central question is: How can active diplomacy be used to implement a policy of neutrality within the context of complex relations with the United States, Iran, Baghdad, and Shiite militias?

This policy brief adopts the concept of “active neutrality”, defined as proactive diplomatic engagement with all parties to maintain security, and it is different from passive neutrality and withdrawal. Active neutrality draws inspiration from the

experience of countries such as Switzerland, Austria, and Finland during the Cold War, which maintained security without full dependence on major powers. It also incorporates the theory of “soft balancing,” defined as: “Actions that do not directly challenge U.S. military preponderance but use nonmilitary tools to delay, frustrate, and undermine aggressive unilateral U.S. military policies”, and this demonstrates how weaker states can deter threats from major powers through diplomatic coalition building and political cost-cutting, without direct military confrontation (Pape, 2005, p.10).

The brief addresses five key questions: (1) What conditions led Iran and its militias to target the region, and does this threat persist? (2) What is active neutrality, and how can it be applied to the KRG? (3) How can the KRG balance U.S. support with de-escalation with Iran? (4) What practical diplomatic tools are available to implement this strategy? and (5) What are the risks and what is Plan B?

### Approach

This brief was conducted by the Sbey Research Center using a qualitative analytical method and a policy-oriented approach. The objective is to design a practical diplomatic strategy for the KRG to prevent future attacks. The main question is how can a

policy of active neutrality be implemented within the context of complex relations with the United States, Iran, Baghdad, and regional actors?

Data sources include reports from ACLED, Rudaw, Al Jazeera, NPR, CNN, Reuters and Chatham House on the ceasefire and negotiations, as well as analyses from the Carnegie Endowment for International Peace report on the complexities of the negotiations, and the European Councils' statements on the ceasefire. Theoretical literature on active neutrality and soft balancing is also incorporated.

The analysis method is based on three axes: first, an assessment of current and future threats to the region. Second, an analysis of the KRG's position within U.S.–Iran–Baghdad triangle and how to create a balance. Third, development of practical diplomatic tools based on theory and historical experience.

### **Findings: Why the Kurdistan Region was Targeted and Why Active Neutrality is Necessary**

#### ***Finding 1: Causes of Attacks on the Kurdistan Region and Likelihood of Recurrence***

Between February 28 and April 8, approximately 700 drones and missiles targeted the Kurdistan Region (Rudaw, 2026). Despite repeated KRG officials' consistent statements asserting neutrality, these statements were not enough, as Iran and Shiite militias continued to attack the Kurdistan Region. The question remains: has this threat ended? The answer is no. As long as the United States maintains a political and military presence in the region, as well as the historical context of the Baghdad–Erbil tension persist, and since U.S.–Iran negotiations remain uncertain, the risk of renewed attacks continues. Moreover, ACLED reports that Shiite militias “have maintained the ability to operate independently of Baghdad” (ACLED, 2026) meaning attacks may resume even without direct Iranian orders from Tehran.

#### ***Finding 2: Fragility of the Ceasefire and the Need for Rapid Action***

The ceasefire showed signs of violation from day one. Israel launched what Reuters described as “the most powerful wave of attacks on Lebanon since the war began” (Reuters, 2026). Iran reiterated its readiness to respond forcefully to any violation. In her analysis, published by Chatham House, Sanam Vakil says, “[m]eanwhile, there is a

real risk that regional considerations are sidelined... focusing too narrowly on U.S.–Iran priorities may stabilize the crisis but leaving the broader regional order fragile – and exposed to revived escalation.” (Vakil, 2026). This means that the KRG cannot wait for the U.S. and Iran to make decisions, while remaining passive; must act proactively.

***Finding 3: The KRG’s Asymmetric Position and the Need for Balancing***

The KRG is in an asymmetric position: on the one hand, it depends on the United States for security, on the other hand, it cannot ignore Iran due to a shared border. In his analysis for the Malcolm H. Kerr Carnegie Middle East Center, Michael Young (2026) argues:

“The proposal includes a U.S. non-aggression agreement with Iran, continued Iranian control over the Strait of Hormuz, a withdrawal of all U.S. military forces from the Middle East, acceptance of Iran’s right to nuclear enrichment, reparations for war damages, and the lifting of all primary and secondary sanctions on Iran, among other things. It’s hard to see the Trump administration negotiating on such terms” (para, 7).

This means that negotiations will be long and the KRG cannot be dependent on one side. Soft balancing theory suggests that weaker actors can maintain their security without being completely dependent on a power, through the formation of diplomatic alliances and increased political costs (Pape, 2005).

**Conclusion: Active Neutrality as a Survival Strategy**

The analysis shows that the Kurdistan Region is in a very crucial situation. The ceasefire is a limited and temporary window of opportunity for diplomatic action. The KRG cannot rely on the durability of the ceasefire or on permanent U.S. support, nor can it confront Iran and Iraqi Shiite groups militarily. Therefore, adopting a policy of active neutrality is the most realistic strategy to prevent future attacks. Active neutrality does not mean severing ties with the United States. Rather, it involves that the KRG simultaneously opens diplomatic channels with Tehran, coordinates with Baghdad to control militias, and diversify its relations with regional and international actors such as Turkey, the Gulf states, and Europe to increase the political cost of attacking the region.

**Consequences and Recommendations**

***Consequences (if no action is taken):***

If the KRG does not have an active diplomatic strategy: (1) Possibility of renewed attacks if the ceasefire collapses or negotiations fail (2) Becoming a permanent battlefield if the US –Iran conflict resumes (3) loss of international credibility if the

region is seen solely as a U.S. military base  
 (4) Loss of opportunity to engage with regional actors.

### **Practical recommendations:**

#### 1. Official declaration of neutrality policy:

The regional president and the prime minister should issue an official statement that the KRG has declared a policy of neutrality in the conflict between the United States and Iran and adheres to this policy. The region seeks peace, stability, and good relations with all neighbors. This message should be published in English, Persian, Arabic, and Turkish, and sent to Washington, Tehran, Baghdad, and Ankara. This declaration does not mean cutting off relations with the United States, but rather indicates a desire not to engage in war.

#### 2. Strategic coordination with Baghdad:

The KRG leadership should immediately meet with the Iraqi prime minister and agree that the KRG commits that its territory will not be used for any aggressive action against Iran. In return, Baghdad should pressure the PMF militias to stop attacks on the region. This coordination is vital because Baghdad can act as a mediator with Tehran and the militias.

#### 3. Establish an informal diplomatic channel with Tehran:

The PUK, which has historical

ties with Iran, can act as a mediator and send neutral policy messages to Tehran that the Kurdistan Region is not a threat to Iran. It can also state that it seeks good neighborly relations. At the same time, mediator countries such as Oman and Qatar can help, and neutral policy messages to Arab countries can be sent by the Kurdistan Region's Islamic parties, which aim to reduce Iran's perception of the Kurdistan Region as an ally of the United States.

#### 4. Diplomatic diversification with Turkey and Europe:

The KRG leadership should send messages to Ankara and European capitals that the Kurdistan Region seeks a stabilizing role in the region and aims to deepen economic and political relations. The European Union has supported "ensure security in the region...freedom of navigation in the Strait of Hormuz" in its statement (European Council, 2026). This shows that Europe seeks stability. The KRG could play its part in shipping oil to European markets and positioning itself as a stability partner.

#### 5. Create a "Friends of the Kurdistan Region Group":

The KRG should create an informal group of countries with interests in regional stability (U.S., Turkey, Gulf states, Europe). This group could act as an informal security

guarantor; any attack on the region would have a political cost for the attacker. This is “soft balancing.”

6. Prepare a Plan B: If the ceasefire breaks down and attacks resume: The KRG should have a contingency plan in place, including the evacuation of citizens from high-risk areas, food and medicine stockpiles, and emergency diplomatic channels for immediate mediation. It should also be

prepared to request more defensive support from the U.S.

The U.S.–Iran ceasefire has provided a short and fragile window for action. The Kurdistan Regional Government should use active diplomacy and a policy of neutrality to protect its citizens; this is a wise approach. Survival requires a delicate balance between maintaining relations with the U.S. and reducing tensions with Iran, and that is precisely what active neutrality offers.

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